UNION ZUR FÖRDERUNG VON OEL- UND PROTEINPFLANZEN E.V.

ufop

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 27	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	362,80	367,79	↘
Wholesale prices in EUR/t			
Rapeseed	376,00	378,00	↘
Rapeseed oil	762,00	785,00	↘
Rapseseed meal	211,00	206,00	↗
Rapeseed cake*	220,00	218,00	↗
Rapeseed future	378,00	381,25	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	120,82	122,13	↘
Consumer prices in ct/l incl. VAT			
Diesel	111,52	108,61	↗
Futures in US-$/barrel			
WTI, Nymex	39,70	40,46	↘

* = compared with previous month, selling prices by mills, rapeseed cake with at least 10 % fat, rapeseed meal 0 %

Market Headlines

Oilseeds

- Harvest concerns continued to paralyse rapeseed business.
- Demand from oil mills was still restrained.
- US soybean prices benefited from new business with China.
- Virtually optimal weather conditions for US soybeans

Oilseed meals and oilcakes

- Rapeseed meal and expeller were hardly traded on nearby positions; bids from oil mills were few and far between.

Vegetable oils

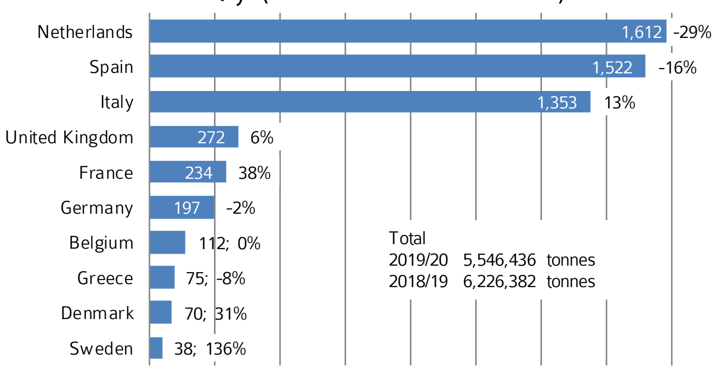
- Rapeseed and sunflower oil firmed significantly, whereas soybean and palm oil showed no significant changes.

Fuels

- Demand for biodiesel stepped up; prices rose around 12 per cent.
- Crude oil prices increased on support from OPEC cap on production and a rise in traffic volumes in the US, Europe and Asia.

Chart of the week

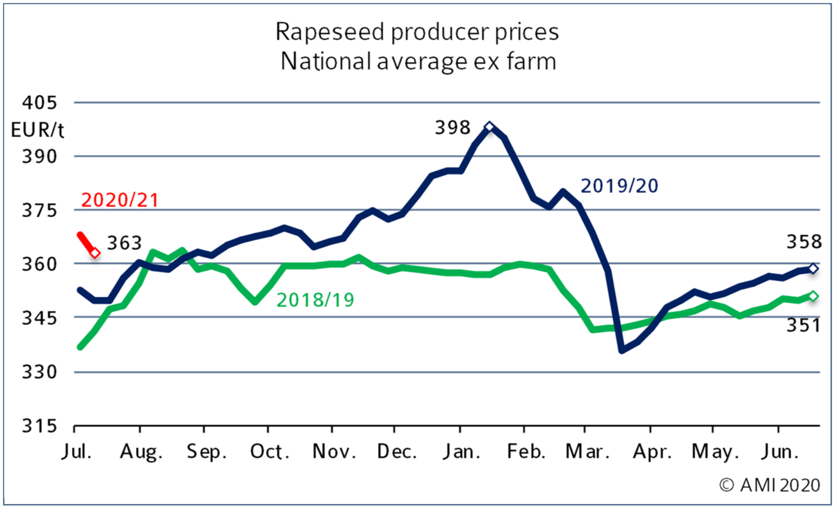
EU palm oil imports by major importing country (01.07.2019-21.06.2020)



Source: EU Commission Note: Quantity in 1,000 tonnes, change from previous year in %

Edition july 2020

Market prices

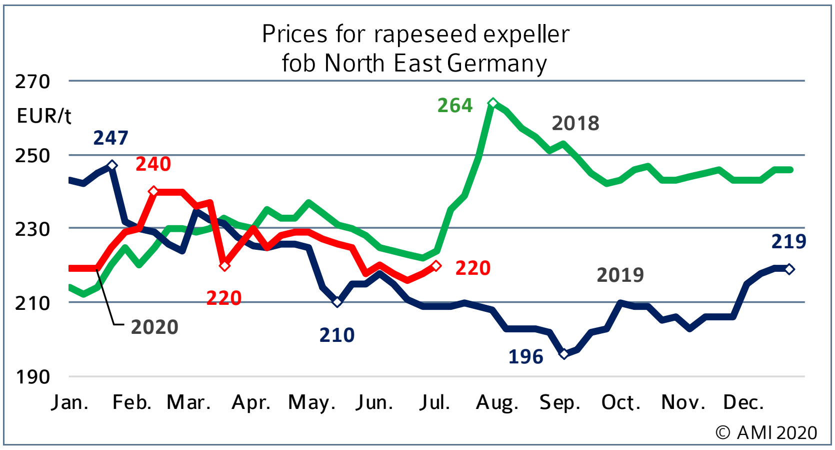


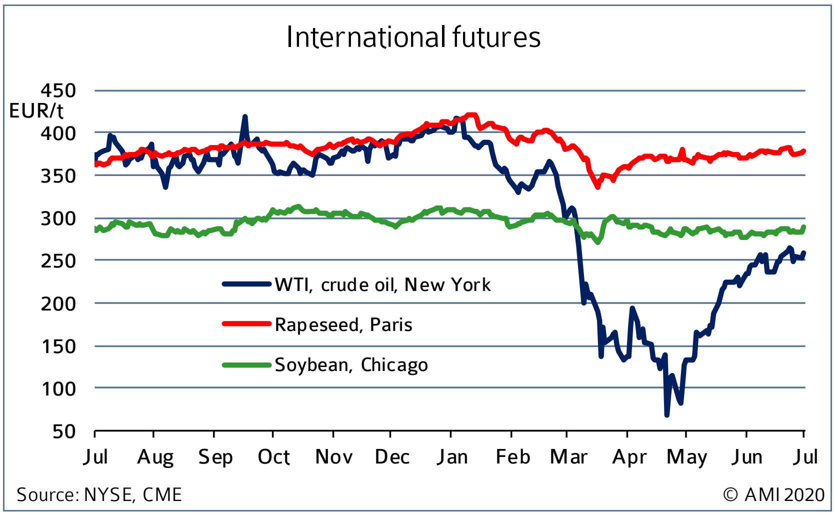
Wholesale prices

in EUR/t on 01.07.2020, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	376	211	762	526
Previous week	378	206	785	555

Source: AMI





Rapeseed

The German rapeseed market continued to be calm in June. Price expectations rarely matched, preventing business deals from being concluded. Although the 2020 German rapeseed harvest will certainly be larger than the 2019 crop, it will once again be lower than average. It remains to be seen how much rapeseed will eventually be harvested. This uncertainty has dampened farmers' willingness to sell and left them hoping for price increases. However, oil mills seldom make concessions as long as they are stocked up well or find opportunities to purchase abroad.

Rapeseed oil

June prices for rapeseed oil firmed steadily. The rise was driven by higher demand for biodiesel and unfavourable crop outlooks for EU rapeseed. Prices did not dip until the turn of the month.

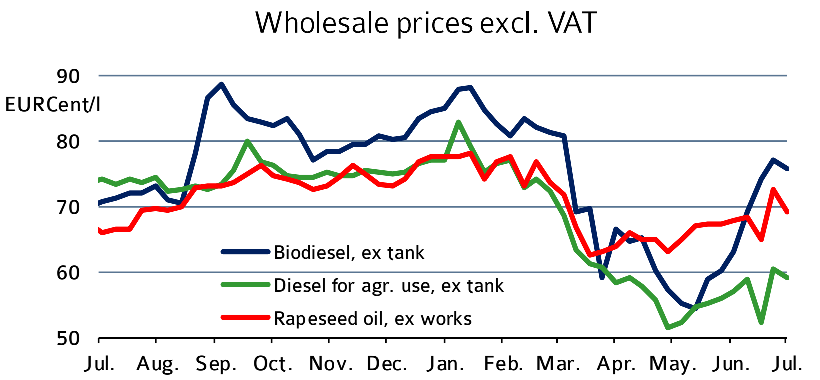
Rapeseed expeller

Prices for rapeseed expeller lacked clear orientation in the past weeks. Most recently, they were at the previous month's level. In other words, they moved in a similar manner as prices for rapeseed meal. The latter rose slightly by EUR 4 per tonne to EUR 225 per tonne compared to the previous month. Market participants reported that trading was very restrained on nearby positions, with only very few oil mills offering rapeseed meal for delivery in June/July at all. Nevertheless, the limited supply caused little price increase, because at the same time there was little interest in buying.

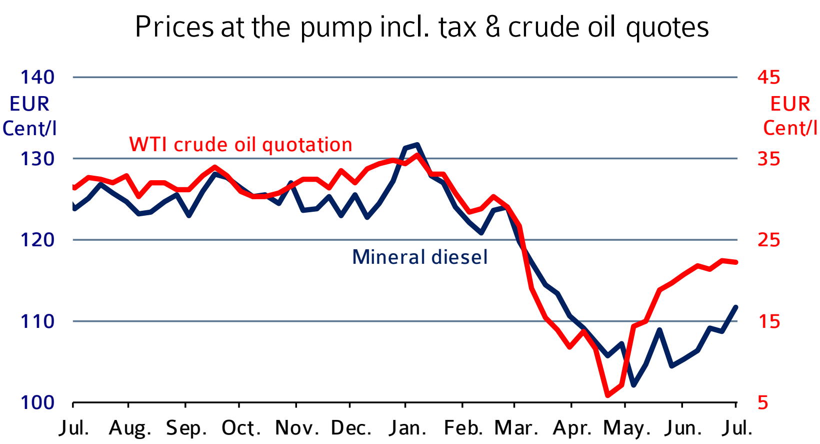
Wholesale prices

Biodiesel prices recently weakened somewhat, but at 121 cents per litre including energy tax they remained 13 cents per litre above the previous month's level. The key reason was the significant rise in demand. As COVID-19 restrictions have been eased, the volume of traffic is increasing and, as a consequence, more fuel is being used for road transport again.

Biodiesel/ mineral Diesel



Note: Rapeseed oil and Biofuel for agricultural use are energy tax exempt. Diesel for agriculural use is taxed at 25.26 cent per litre. All prices exclude freight charges.



Domestic consumption in 2020

in 1.000 t					cumulated	
	Jan.	Feb.	March	April	2020	2019
Biodiesel for blending	221,7	212,7	222,0	194,3	846,1	681,0
Diesel	2.713,9	2.665,2	2.637,8	2.337,9	10.409,2	11.574,3
Biodiesel + diesel	2.935,7	2.877,9	2.859,8	2.532,3	11.255,3	12.255,3
Share biodiesel	7,6 %	7,4 %	7,8 %	7,7 %	7,5 %	5,6 %
Bioethanol ETBE a)	8,2	8,8	11,4	10,3	38,8	29,3
Bioethanol for blending	94,0	86,7	73,6	50,5	304,4	319,7
Bioethanol total	102,2	95,5	85,0	60,8	343,2	348,9
Gasoline	1.357,8	1.279,3	1.183,3	904,6	4.713,6	5.232,4
Gasoline + bioethanol	1.460,0	1.374,8	1.268,3	965,4	5.056,9	5.581,3
Share bioethanol	7,0 %	6,9 %	6,7 %	6,3 %	6,8 %	6,3 %

Note: a) Volume percent of bioethanol in ETBE = 47 %;gacumulated figures include (unpublished)
Source: Federal Office for Economic Affairs and Export Control, AMI

Prices at the pump

German prices for mineral diesel climbed significantly in July to 112 cents per litre. This was up more than 6 cents per litre from the previous month. Prices were driven by an appreciable pick-up in demand that followed the coronavirus-induced collapse in demand in March and April 2020. Firming crude oil prices temporarily also lent support, which was partly due to the OPEC cap on production.

Consumption

Biodiesel

Whereas in the first quarter of 2020 biodiesel consumption was higher than average month by month, in April the use of biodiesel for blending in diesel fuel declined considerably. The amount of 194,300 tonnes translates to a 12.4 per cent drop from the previous month, but was a 5 per cent rise compared to the same month the previous year. The cumulative use in blends in the months from January through April 2020 also remained above average, increasing 24 per cent from the same period the previous year. The incorporation rate of biodiesel in diesel declined only slightly compared to the previous month. In other words, the reason for the significant decline in biodiesel use for blending was an also significant decline in consumption of diesel fuel of 11.4 per cent.

Bioethanol

Bioethanol use declined especially sharply in April 2020. Only 50,500 tonnes were used for blending in petrol, which translates to a drop of almost one third compared to the previous month. Also, this tonnage was considerably below average and at the lowest level since February 2009. The incorporation rate of bioethanol in petrol fell from 6.7 per cent to 6.3 per cent compared to the previous month. However, the actual reason for the slump in the amount used in blending is the sharp slide in petrol consumption.

The figures of bioethanol and petrol consumption illustrate very clearly that the corona crisis escalated in April 2020 and paralysed many areas of public and private life. This was reflected in lower traffic volumes and, consequently, reduced fuel consumption.